



2003

1065ME/1120S-ME

0300810₀₀

MAINE INFORMATION RETURN
FOR PARTNERSHIPS/S CORPORATIONS

For calendar year 2003 or tax year beginning in 2003

For tax period 01/01/03 - 12/31/03 or

FEDERAL EMPLOYER ID NO.

NAME

ADDRESS

CITY, TOWN OR POST OFFICE

STATE

ZIP CODE

STATE OF INCORPORATION

DATE INCORPORATED

PRINCIPAL PLACE OF ACTIVITY IN MAINE

CITY/STATE WHERE RECORDS ARE MAINTAINED

BUSINESS CODE

TAX MATTERS PARTNER/PERSON

IDENTIFYING NUMBER OF TAX MATTERS PERSON

TELEPHONE NUMBER

TYPE OF ENTITY:

☐ Partnership ☐ S corporation ☐ Limited liability company

CHECK HERE IF:

☐ Name or address has changed
☐ First filing of the entity ☐ Amended return ☐ Final return

Do not submit photocopies of this form; photocopies cannot be processed by the Maine Revenue Services scanning system. Do not use red ink.

1. Number of partners, shareholders or members: a. _____ Residents (of Maine) b. _____ Nonresidents c. _____ Total
100 or fewer partner/shareholders- complete Schedule PSI for all partners/shareholders not included in a composite return. Entities with more than 100 members- do not complete Schedule PSI.
All entities regardless of the number of partners/shareholders are required to send federal Form 1065 or Form 1120S with this return. DO NOT SEND FEDERAL K-1s.
2. Are you filing a composite return under Rule 805 for nonresident partners/shareholders? Yes ☐ No ☐
- 2a. If yes, how many nonresident partners/shareholders are included in the composite filing? _____

THIS SECTION MUST BE COMPLETED BY ALL FILERS

3. LOCATION OF DOING BUSINESS:

- a. ☐ Business activity entirely within Maine; this includes making out-of-state sales that are not taxable in other states (complete only line 4e below and enter that amount on 4f).
- b. ☐ Business has no Maine resident partners and business activity is entirely outside Maine, with no payroll, sales or property in Maine (STOP – do not file this return).
- c. ☐ Engaged in interstate commerce including doing business in Maine (complete all lines below).
- d. ☐ Business has Maine resident partners and business activity is entirely outside Maine, with no payroll or sales in Maine (except as affected by P.L. 86 272), or property in Maine (**complete line 4e below and also complete Schedule PSI for Maine residents only**).

(A)
Totals
within
Maine

(B)
Totals
within and without
Maine

(C)
Maine factors:
Col. A/Col. B x statutory weighting
rounded to 6 decimals

4. a. Total **SALES** net of returns and allowances _____ ÷ _____ x .50 = • _____
- b. Total **PAYROLL** _____ ÷ _____ x .25 = • _____
- c. Total **PROPERTY** _____ ÷ _____ x .25 = • _____
- d. **MAINE APPORTIONMENT FACTOR** (total of Column C) d. • _____
- e. Enter **ENTITY INCOME OR LOSS** (see instructions) e _____
- f. **TOTAL MAINE INCOME OR LOSS** (line 4d multiplied by line 4e) f _____

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements and to the best of my knowledge and belief they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Officer's signature

Title

Date

Preparer's signature

Date

File return with: Maine Revenue Services
PO Box 9117
Augusta, ME 04332-9117

Office use only

☐ LG

☐ PSI

PLEASE DO NOT STAPLE OR TAPE FORMS TO THIS RETURN

FORM 1065ME/1120S-ME INSTRUCTIONS

WHO MUST FILE THIS FORM? Partnerships and S corporations filing federal Form 1065 or 1120S that do business in Maine or that have resident partners or shareholders. S corporations that have federal taxable income must also file Form 1120ME. Financial institutions organized as partnerships or S corporations do not file this form – see instructions for Form 1120B-ME. Forms are available at: www.maine.gov/revenue or by calling 207-624-7894.

LIMITED LIABILITY COMPANIES. A domestic limited liability company or a foreign limited liability company doing business in Maine is classified as a partnership for Maine income tax purposes unless classified otherwise for federal income tax purposes, in which case the limited liability company is classified in the same manner for Maine income tax as for federal income tax purposes.

WHEN MUST THE FORM BE FILED? S corporations must file Form 1065ME/1120S-ME by the 15th day of the 3rd month following the close of the taxable year. Partnerships must file Form 1065ME/1120S-ME by the 15th day of the 4th month following the close of the taxable year.

EXTENSIONS FOR FILING. A State of Maine extension request form is not required. If you are unable to file your return by the original due date of the return, Maine allows an automatic seven-month extension of time to file an S corporation return and six months to file a partnership return.

WHERE TO FILE. Mail completed form with copies of federal Form 1065 or Form 1120S to Maine Revenue Services, P.O. Box 9117, Augusta, ME 04332-9117.

SPECIFIC INSTRUCTIONS

- If other than a calendar year, enter beginning and ending dates for the tax year covered by the return.
- Indicate the business name and mailing address, including the name of the entity officer or tax matters partner to whom correspondence should be addressed. Enter telephone number.
- Enter the EIN used on federal Form 1065 or Form 1120S. Enter all requested demographic information.
- Check the appropriate business type and attach the corresponding federal form to Form 1065ME/1120S-ME. (**Send no K-1s**).
- Indicate if name or address has changed.
- Indicate if an amended, first or final return.

LINE 1.

- (a) Indicate number of partners/shareholders who are residents of Maine.
- (b) Indicate number of partners/shareholders who are nonresidents of Maine.
- (c) Indicate total number of partners/shareholders.

Entities with 100 or fewer partners/shareholders, complete Schedule PSI for all partners/shareholders, but do not include those participating in a composite return. Entities with more than 100 partners/shareholders, do not complete Schedule PSI. Entities that checked line 3d, complete Schedule PSI for Maine residents only.

The number of partners/shareholders included on the Schedule PSI should equal the difference of Line 1c

minus Line 2a except in the case of entities that checked line 3d or have more than 100 members.

LINE 2. Composite filing under MRS Rule 805 for non-Maine resident partners/shareholders. A composite return is filed by a partnership or S corporation for its nonresident partners/shareholders electing to participate and whose only Maine income is from the entity (*see* 36 M.R.S.A. § 5192(5)). Indicate “Yes” if filing a composite return for any nonresident partner/shareholder. See www.maine.gov/revenue for composite filing information.

(a) If answer to Line 2 is yes, indicate the number of nonresident partners/shareholders included in the composite filing.

LINE 3. Indicate location of partnership or S corporation business activity. If line 3a is checked, complete lines 4e and 4f. If line 3b is checked, you do not have to file this return. If line 3c is checked, complete lines 4a- 4f. If line 3d is checked, complete line 4e and Schedule PSI for Maine residents only.

LINE 4. Apportionment of Income Schedule. This schedule is for entities engaged in interstate business. Maine employs a three-factor formula to determine the percentage of business income that is apportioned to Maine. This percentage is derived from a fraction, the numerator of which is the property factor plus the payroll factor plus twice the sales factor, and the denominator of which is 4. If the apportionment provisions do not fairly represent the extent of the taxpayer’s business activity in Maine, the taxpayer may petition for, or the State Tax Assessor may require, an alternate method of apportionment. If one factor is excludable from the apportionment formula, the weighting of the two remaining factors must be changed. A factor is excludable only if both the numerator and denominator are zero, but is not excludable merely because the numerator is zero. When excluding the sales factor, change the weight of the payroll and property factors to 50% (0.5) each. When excluding either the payroll or property factor, change the weight of the sales factor to 66.67% (0.6667) and the weight of the remaining factor to 33.33% (0.3333). If two factors are excludable from the apportionment formula, change the weight of the remaining factor to 100%. If you are excluding any factors, attach a schedule detailing the factors used and the apportionment computation. The total of lines 4a, 4b and 4c (from Column C) must equal the amount you enter on line 4d. *See* MRS Rule 801.

Sales Factor (line a). “Sales” means all gross receipts such as trade sales, dividends, interest, rents and royalties. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in the state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

Sales of tangible personal property are attributed to Maine if: (1) the property is delivered or shipped to a purchaser other than the U.S. government, in Maine, regardless of the F.O.B. point or other conditions of the sale, or (2) the property is shipped from an office, store, warehouse, factory or other place in storage in Maine and the purchaser is the U.S. government or the taxpayer is not taxed in the state of the purchaser.

Sales, other than sales of tangible personal property,

are attributed to Maine if: (1) the income-producing activity is performed in this state, or (2) the income-producing activity is performed both in and outside Maine and a greater proportion of the income-producing activity is performed in this state than any other state, based on costs of performance.

Payroll Factor (line b). The payroll factor is a fraction, the numerator of which is the total paid in Maine during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere during the tax period. “Compensation” means wages, salaries, commissions and any other form of remuneration to employees for personal services, including deferred compensation. Compensation is paid in Maine if: (1) the individual’s service is performed entirely within this state, or (2) the individual’s service is performed both within and outside Maine, but the service performed outside the state is incidental to the individual’s service within Maine, or (3) some of the service is performed in the state and the base of operations (or, if there is no base of operations, the place from where the service is directed or controlled) is in a state in which no service is performed, and the individual’s residence is in Maine.

Property Factor (line c). The property factor is a fraction, the numerator of which is the average value of the taxpayer’s real and tangible personal property (including inventory) owned or rented and used in Maine during the tax period and the denominator of which is the average value of all the taxpayer’s real and tangible personal property (including inventory) owned or rented and used during the tax period.

Property owned by the taxpayer is valued at original cost. The value of rental property for purposes of apportioning income to Maine is eight times the annual rental rate paid by the taxpayer. 36 M.R.S.A. § 5211(10). The average value of the property is determined by averaging the values at the beginning and ending of the tax period, but the State Tax Assessor may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer’s property.

LINE 4e. Entity Income. Partnerships enter on this line the amount from federal Form 1065, Analysis of Net Income, line 1. S corporations enter on this line the amount from federal Form 1120S, Schedule K, line 23.

All Maine income modifications under 36 M.R.S.A. § 5122 and 5200-A, including bonus depreciation and section 179 expensing add-backs, are made at the taxpayer level. **Do not adjust line 4e for Maine income modifications.** The entity is required to advise each shareholder/partner of any income modifications related to entity income that apply.

Visit our Web site at www.maine.gov/revenue or call the forms line at 207-624-7894 if you need additional copies of this form or the Schedule of Partners/Shareholders Income. If you have any questions, email the Corporate Income Tax unit at partner-scorp.tax@maine.gov or call 207-626-8475 weekdays 8:00 a.m. - 5:00 p.m., except holidays.